

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 99-113

A RESOLUTION OF THE HOMER CITY COUNCIL
ACCEPTING THE DEPARTMENT OF ENVIRONMENTAL
CONSERVATION GRANT FOR THE BYPASS
SEWER/BELUGA AND BAY AVENUE LIFT STATION
UPGRADE (#40901) AND AUTHORIZING THE CITY
MANAGER TO SIGN THE APPROPRIATE DOCUMENTS.

WHEREAS, the City of Homer 2000 Legislative Request identified the Bypass
Sewer/Beluga Pump Station Upgrade as the number one priority; and

WHEREAS, the State of Alaska Department of Environmental Conservation in
accordance with AS 46.03.030 has approved state funds not to exceed \$348,124 for
replacement of 1,370 linear feet of 12 inch ductile iron sewer main with 24-inch HDPE,
provide upgrades and telemetry improvements to two associated sewage lift stations and
provide all related appurtenances; and

WHEREAS, the City of Homer accepts responsibility to operate and maintain the
proposed sewer utility improvements, agrees to the terms and conditions of this grant offer
and to provide \$149,146 in local share from the Sewer Reserve Funds.

NOW, THEREFORE BE IT RESOLVED, that the Homer City Council of Homer,
Alaska, by this resolution, agrees to accept the above referenced funds for the purpose
intended in this resolution and authorizes the City Manager to sign the appropriate
documents.

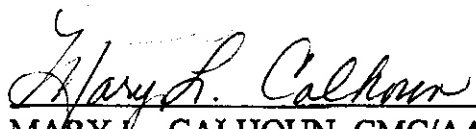
PASSED AND APPROVED by a duly constituted quorum of the City Council for the City
of Homer on this 13th day of December 1999.

CITY OF HOMER



JACK CUSHING, MAYOR

ATTEST:



MARY L. CALHOUN, CMC/AAE, CITY CLERK

Fiscal Note: Fiscal impact of \$149,146 to the Sewer Reserve Funds.



CITY OF HOMER

PUBLIC WORKS

3575 HEATH STREET

HOMER, AK 99603

RECEIVED

NOV 30 1999

City of Homer

TELEPHONE (907) 235-3145
TELECOPIER (907) 235-3145

MEMORANDUM

To: Ron Drathman, City Manager *RWD*

From: Carey Meyer, Public Works Director *CSM*

Date: November 30, 1999

Subject: Request to be Placed on Council Agenda
Accepting ADEC Grant
Bypass Sewer Project

Please coordinate placing the attached resolution on the consent agenda for the City Council meeting on December 13, 1999. Attached is a discussion of the need for the resolution and documentation supporting our request.

Attached is:

- Memo from Jim Hobbs describing project scope and funding information
- Draft resolution prepared by Sheri
- Copy of grant offer letter from ADEC



CITY OF HOMER

PUBLIC WORKS

3575 HEATH STREET

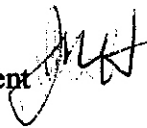
HOMER, AK 99603

TELEPHONE (907) 235-3170
TELECOPIER (907) 235-3145

M E M O R A N D U M

Date: November 30, 1999

To: Carey Meyer, Director

From: Jim Hobbs, Superintendent 

Subject: By-Pass Sewer/ Beluga Lake and Bay Avenue Lift Station Upgrade
Project Description

This project will include the replacement of approximately 1370 lineal feet of sewer main. This line carries sewage from the east side of Homer to the Wastewater Treatment Plant. The existing line is 12 inch ductile iron and will be upgraded to 24 inch HDPE. The flow through this line is estimated to be about 65% of the total wastewater going to the wastewater plant. At periods of high flow, this line backs up and begins to "surcharge" in the manholes. If this line is not upgraded in the near future we will likely overflow raw sewage either from a manhole, lift station or from a customer's service connection.

This project will also provide improvements to two sewage lift stations adjacent to the new sewer main. Improvements to the first pump station, Beluga Lake, include new pumps, wetwell, control panel, enclosure and a maintenance staging area. Telemetry for monitoring this station will also be installed. This lift station is located in wetlands and failure would result in raw sewage flowing directly into a tidal estuary below Beluga Lake. The second pump station, Bay Avenue, will have a new control panel installed along with upgraded telemetry.

The construction of this project is scheduled for early fall, 2000. As noted in the Grant Offer, estimated construction costs are \$497,320 of which 70% will be repaid by the State (\$348,124). This leaves an estimated local share of \$149,146, which will be paid for using Sewer Reserve Funds. The current balance in this fund is \$442,412.

c: Job file

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

FACILITY CONSTRUCTION & OPERATION

CERTIFIED MAIL NO. Z 583 928 085

November 18, 1999

Mr. Ron Drathman, Manager
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

Dear Mr. Drathman:

Grant Offer: Bypass Sewer/Beluga and Bay Avenue Lift Station Upgrade (#40901)

In accordance with AS 46.03.030, the Department of Environmental Conservation (Department) is pleased to offer the City of Homer (Grantee) a grant of State funds not to exceed \$348,124. This grant will finance the replacement of approximately 1,370 linear feet of 12-inch ductile iron sewer main with 24-inch HDPE, provide upgrades and telemetry improvements to two associated sewage lift stations, and provide all related appurtenances.

Estimated eligible costs for this project are \$497,320. The total grant for this project is limited to 70 percent of eligible costs pursuant to AS 46.03.030(e).

This offer is expressly conditioned upon the terms and limitations contained herein, in 2 AAC 45.010 (enclosed), in 18 AAC 73.010 (enclosed), and is based upon estimated eligible project costs as itemized below:

	Total Estimated Eligible Project Costs
1. Administrative Expenses	\$3,300
2. Engineering Design Fees	40,300
3. Construction Engineering & Management	24,000
4. Construction	331,720
5. Equipment	25,000
6. Utility Relocation	40,000
7. Project Contingencies	33,000
8. Total Estimated Eligible Costs	497,320
9. State Grant = 70% of Line 8	\$348,124

CC: Mayor - ask
finance
check top the p/c co
TONY KNOWLES, GOVERNOR

410 Willoughby Ave., Ste 105
Juneau, AK 99801-1795
PHONE: (907) 465-5180
FAX: (907) 465-5177
<http://www.state.ak.us/dec>

RECEIVED

NOV 22 1999

City of Homer
City Manager

Adjustment of expenditures within the budgeted cost items is allowed, however, if actual project costs exceed the total estimated eligible costs, a revised grant application must be submitted before additional funding can be committed. If actual project costs are less than the estimated costs, the grant will be reduced to the extent necessary to comply with the percentage limitation set forth in this offer. Grant payments will be made when expenses have been incurred and documentation has been provided to the Department along with the payment request form, unless a payment schedule is established as a special condition of this grant. Payments will normally be made monthly, but no more frequently than twice per month. All requests for payment must be submitted on the enclosed Request for Payment form.

By accepting this grant offer, the Grantee agrees to comply with the procedures and requirements contained in the Construction Grants Regulations (18 AAC 73 appended), as well as the grant conditions.

GENERAL GRANT CONDITIONS

1. Plan Approval: The Grantee agrees to obtain plan and specification approval from the Department in accordance with 18 AAC 73.020 prior to issuing a Notice to Proceed with Construction to a contractor.
2. Contract Award and Contractor Bonding Requirements:
 - a. The Grantee agrees to bid construction contracts exceeding \$50,000. Adequate time (not less than 30 days) shall be allowed between the date of formal advertisement and the date the bids must be submitted.
 - b. The Grantee agrees to submit procedures for award of construction contracts of less than \$50,000 to the Department for prior approval when means other than the competitive bidding process are proposed.
 - c. The Grantee must require the contractor to furnish performance and payment bonds in accordance with AS 36.25.010.
 - d. If local or federal ordinances or regulations also apply to the contract award or contractor bonding requirements for this project, the most stringent requirements shall apply.
 - e. The Grantee agrees to provide the Department with a summary of itemized bid tabulations, a copy of the Notice to Proceed, and a copy of the construction contract.
3. Change Orders: The Grantee agrees that all project change orders will be submitted to the Department for approval in accordance with 18 AAC 73.020(e).

4. Project Completion: The Grantee agrees to provide sufficient local funding to match State and federal grant assistance and to ensure the completion of a properly functioning project in accordance with 18 AAC 73.020(j).
5. Operation and Maintenance: The Grantee agrees to operate and maintain the completed project.
6. Titles and Easements: the Grantee agrees to obtain all titles and easements necessary to provide clear title or authority to construct and maintain the proposed project.
7. Eligibility: The Grantee acknowledges that disbursement of progress payments by the State does not constitute acceptance of any item as an eligible project cost until all project costs are audited and determined to be eligible. Ineligible project costs must be included in the final audit report.
8. Inspection: The Grantee agrees to allow, at any reasonable time, Department inspection of all project work and audit of related records and data for which this grant is offered.
9. Records: The Grantee agrees to maintain project accounts and records which verify the grant eligibility of project expenditures. These accounts and records shall be kept apart from non-grant eligible local records and from those records maintained for the purpose of other State or federal grant programs involved in the project.
10. Progress Reports: The Grantee agrees to submit periodic progress reports on the proposed project with each payment request.
11. Subcontracts: The Grantee agrees to submit project subcontracts over \$10,000 and all changes to these subcontracts for Department approval.
12. Americans with Disabilities Act: The Grantee must certify that projects and services provided under this grant are made available to the general public in compliance with the Americans with Disabilities Act of 1990.
13. Discrimination: The Grantee agrees to administer this grant in a non-discriminatory manner. No person shall be discriminated against based on race, religion, color, national origin, gender or disability.
14. Damages: The Grantee shall hold and save the Department, its officers, agents, and employees harmless from liability of any kind, including costs and expenses, for or on account of any and all suits or damages of any nature, sustained by any person or persons or property, by virtue of performance of the grantee, or any person or entity acting in place of or for the Grantee for this project.

Mr. Ron Drathman, Manager
City of Homer
Grant Offer 40901

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November 18, 1999

15. Grant Cancellation: The Grantee acknowledges the right of the Department to rescind this grant and seek recovery of payments already made if the Grantee has provided incorrect or misleading information to the Department or if a grant condition contained herein or in 18 AAC 73 is violated. This grant offer may be terminated at any time it is in the best interest of the State to do so.

SPECIAL GRANT CONDITIONS

None

Please carefully review this grant offer, the related grant conditions, and the enclosed regulations. If satisfactory, sign and return the original, along with a formal resolution accepting the grant enacted by the Homer City Council.

In the resolution the Grantee must agree to accept responsibility to operate and maintain the proposed sewer utility improvements and agree to the terms and conditions of this grant offer.

Acceptance of the grant is required within six months to prevent revocation of the offer. No progress payments can be made until this grant offer is signed by the Grantee and returned to the Department. Nothing in this offer, whether or not accepted, may be deemed to constitute a contractual obligation on the part of the Department until a resolution of acceptance has been received.

The City is to be congratulated on its efforts to provide this important community improvement.

Sincerely,



Dan Easton, P. E.
Director

Enclosures: 2 AAC 45.010
18 AAC 73.010 Construction Grant Project Eligibility
Request for Payment

cc: Senator John Torgerson
Representative Gail Phillips
Beth Verrelli, FCO, Anchorage

Mr. Ron Drathman, Manager
City of Homer
Grant Offer 40901

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November 18, 1999

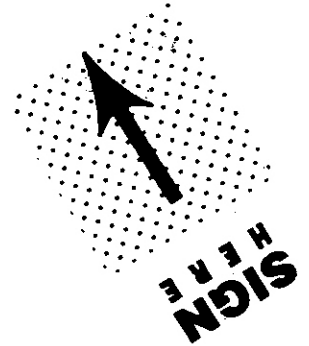
Accepted on behalf of the City of Homer by:

Typed Name

Title

Date

Signature



Chapter 45 Grant Administration

2 AAC 45.010

AUDIT REQUIREMENTS

(a) As part of the financial information required under AS 37.05.030, a state agency that enters into a financial assistance agreement to provide financial assistance to an entity shall, in coordination with any other state agencies providing financial assistance to that entity, require that entity to submit to the Department of Administration through the state coordinating agency an audit of the recipient entity if that entity is subject to an audit under this section. The audit must be conducted and submitted as described in this section. In order to ensure compliance with this subsection, a state agency must include the audit requirements of this section in any financial assistance agreement subject to this subsection.

(b) An entity that expends financial assistance with a cumulative total of \$300,000 or more during the entity's fiscal year shall submit an audit report for the audit period to the state coordinating agency, by (1) the earlier of (A) 30 days after the entity receives its audit report for the audit period; or (B) nine months after the end of the audit period; or (2) a later date than the date calculated under (1) of this section, if (A) the state agency that provides the financial assistance agrees to the change of date; and (B) the agreement under (A) of this paragraph is made in (i) writing; and (ii) advance of the date calculated under (1) of this subsection.

(c) An audit required by this section must be conducted by an independent auditor, according to the following audit standards effective at the time of review for the audit period: (1) *Government Auditing Standards, 1994* revision adopted by the comptroller general of the United States; (2) generally accepted auditing standards, as accepted by the American Institute of Certified Public Accountants in effect as of January 1, 1998 for the type of entity being audited; (3) *State of Alaska Audit Guide and Compliance Supplement for State Single Audits, May 1998* revision, prepared by the state coordinating agency.

(d) The audit required under this section must report on the following: (1) the system of internal controls of the entity and the auditor's identification of reportable conditions and material weaknesses of the entity, using the applicable standards set out in (c) of this section; (2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify findings and known questioned costs that exceed \$1,000 in aggregate for all transactions of expenditures tested for the financial assistance being audited; (3) the entity's financial statements; (4) the schedule of state financial assistance.

(e) As part of the audit report required under this section, the entity must provide (1) written comments on any (A) findings; (B) known questioned costs; (C) reportable conditions, including material weaknesses; and (D) recommendations contained in the audit report; (2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report; (3) the status of the entity's implementation of any plans for corrective actions related to (A) the audit reports required under this section for the fiscal year before the audit period; and (B) unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and (4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.

(f) An audit report required under this section need not evaluate the effectiveness of a program funded by financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.

(g) An audit required by this section must cover either (1) the entire operations of the entity; or (2) the program of the entity for which financial assistance was expended, if (A) the entity receives financial assistance from only one state program of a state agency; and (B) the entity does not expend the financial assistance being audited, for indirect costs, including allocations of indirect costs.

(h) An entity shall provide the state coordinating agency with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The state coordinating agency shall determine if auditing standards have been met and shall forward a copy of the audit to the Department of Administration, upon request, and other appropriate state agencies. The state coordinating agency shall coordinate the assignment of the resolution to one state agency, if the exceptions concern more than one state agency. The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.

Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on the audit required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.

(j) A third party that receives financial assistance through an entity, in an amount described in this section, is subject to the applicable requirements of this section. An entity that disburses \$300,000 or more in state financial assistance to a third party shall ensure that the third party complies with the requirements of this section. That entity shall also ensure that appropriate corrective action is taken within six months after a third party's noncompliance with an applicable state statute or regulation, or financial assistance agreement, is disclosed.

(k) Repealed 7/1/98.

(l) For purposes of this section, if an entity has not identified its fiscal year, that entity's fiscal year is July 1 through June 30.

(m) Financial assistance in the following form is not included when calculating whether an entity meets the threshold monetary requirement under (b) of this section: (1) state revenue sharing and municipal assistance money provided under AS 29.60.010 - 29.60.375; (2) amusement and gaming tax money provided under AS 43.35.050; (3) aviation fuel tax money provided under AS 43.40.010; (4) electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570; (5) alcoholic beverage license fee refunds provided under AS 04.11.610; (6) fisheries tax refunds provided under AS 43.75.130.

(n) Financial assistance in a form listed in (m) of this section is not exempt from compliance testing if the entity meets the threshold monetary requirement under (b) of this section.

(o) Repealed 7/1/98.

History - Eff. 8/1/85, Register 95; am 6/29/90, Register 114; am 7/1/98 Register 146

Authority: AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.060.

EXTERNAL QUALITY REVIEW OF AUDIT ORGANIZATION

The state coordinating agency may only accept an audit under this section, if that organization has submitted to the state coordinating agency a copy of the organization's most recent external quality review report that meets the standards described in 2 AAC 45.010(c)(1) and (2).

History - Eff. 7/1/98, Register 146

Authority: AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.070.

APPLICABILITY

(a) The amended version of this chapter, effective 7/1/98, applies to an audit for an audit period that begins or continues after June 30, 1998.

(b) An entity may agree to be subject to the provisions of the amended version of this chapter, effective 7/1/98, for an audit period beginning on or after July 1, 1997 and ending on or before June 30, 1998, by voluntarily submitting an audit that complies with those provisions.

History - Eff. 7/1/98, Register 146)

Authority: AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.080.

EXEMPTIONS FROM FINANCIAL ASSISTANCE

(a) For purposes of this chapter, "financial assistance" does not include the following: (1) public assistance provided under AS 47; (2) goods or services purchased for the direct administration or operation of state government; (3) moneys advanced to an entity under one or more state loan programs; (4) power cost equalization payments made to an electric cooperative on behalf of its customers; (5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.

(b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

History - Eff. 7/1/98, Register 146

Authority: AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.090.
DEFINITIONS

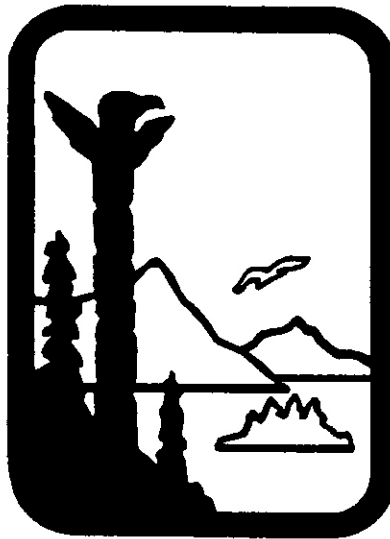
For purposes of this chapter, unless the context otherwise requires,

- "audit period" means the entity's fiscal year in which the entity expended financial assistance;
- (2) "entity" does not include the University of Alaska or any other state agency;
- (3) "financial assistance" means state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity; "financial assistance" includes all forms of state financial assistance provided through an entity to a third party;
- (4) "known questioned costs" means those questioned costs specifically identified by the auditor in the audit conducted under this chapter;
- (5) "state coordinating agency" means the office of management and budget (OMB), Office of the Governor, or OMB's designee.

History - Eff. 7/1/98, Register 146

Authority: AS 37.05.020 AS 37.05.030 AS 37.05.190

DEPARTMENT OF ENVIRONMENTAL CONSERVATION



18 AAC 73

CONSTRUCTION GRANTS

As amended through November 24, 1994

Walter J. Hickel
Governor

John A. Sandor
Commissioner

CHAPTER 73. CONSTRUCTION GRANTS

Section

- 10. Construction grant project eligibility
- 20. Terms and conditions of grant awards
- 30. Application procedures
- 40. State grant share
- 50. Grant payment procedures
- 60. Definitions

18 AAC 73.010. CONSTRUCTION GRANT PROJECT ELIGIBILITY. (a) An Alaska municipality, or a combination of municipalities, may apply to the department, if money is available, for a grant for a public

- (1) water quality enhancement project;
- (2) water supply, treatment, or distribution system;
- (3) wastewater collection, treatment, or discharge system; or
- (4) solid waste processing, disposal, or resource recovery system.

(b) Grants administered under this chapter are available for new construction, including replacement, upgrade, expansion, and extension of service lines.

(c) Grants administered under this chapter are not available for

- (1) the operation, maintenance, and repair of an existing system; or
- (2) the construction of a storm sewer system, unless the system
 - (A) is part of an approved water quality enhancement project; or
 - (B) separates storm water run-off from a sanitary sewer system.

(d) A project to construct a public water supply system is eligible for a grant under this chapter only if the area to be served has either a sewage disposal system or a department-approved construction plan and schedule for a sewage disposal system. An approved sewage disposal system may include onsite disposal if the system conforms with standards established in 18 AAC 72.

(e) A project to construct sewage collection lines, trunk lines, interceptors, force mains, or pump stations is eligible for a grant under this chapter only if adequate sewage treatment facilities exist, or will exist, after the project is complete. For purposes of this subsection, an "adequate sewage treatment facility" is one that conforms, or is on an approved schedule to conform, with the standards established in 18 AAC 70 and 18 AAC 72 and that has sufficient capacity to treat the increase in flow that will result from the project for which a grant is sought.

(f) Grant-eligible costs may be incurred up to 120 days before the date of the state grant offer. Grant-eligible costs include construction, equipment, engineering, legal, and administrative expenses that are incurred as a direct result of the project, or that are otherwise directly attributable to the project, with the following conditions:

(1) if approved by the department, the costs of engineering design, construction management, inspections, and actual construction performed in-house are eligible for grant reimbursement; force account labor and equipment charge rates must be approved by the department before expenses are incurred against the grant; force account rates may include salaries except as provided in (g) of this section, benefits, and vacation and sick leave, and must be submitted in a format specified by the department;

(2) the capital costs of landfill operating equipment are eligible for grant reimbursement; the department will determine the eligibility of equipment costs, based on the size and type of equipment required to perform the work and the percentage of time the equipment is to be used for activities other than operation of the landfill;

(3) the costs of preparing project-specific facility plans and feasibility studies, planning reports, as-built drawings, and operation and maintenance manuals are eligible for grant reimbursement; and

(4) for a water quality enhancement project, the costs of preparing reports, testing, research, education, enforcement, and cleanup programs directed toward discovering or solving potential or existing water pollution problems are eligible; before a grant will be made for these expenditures, a grantee must have a department-approved program plan.

(g) Grant-ineligible costs include expenditures associated with acquisition of land and rights-of-way; purchase of privately-owned water, wastewater, and solid waste facilities; interest and financing; formation of local improvements districts; operation, maintenance, or system repair; preparation of grant applications; salaries of existing administrative staff working normally-scheduled hours; and vehicles used to collect and transport solid waste from its point of generation to a point of disposal. Notwithstanding the provisions of this subsection, the following costs are eligible for grant reimbursement:

(1) the cost of land when used for a solid waste landfill site or as an integral part of a treatment process;

(2) portable compaction units, if part of a solid waste transfer system, and the vehicles necessary to transport these units to a landfill or processing site;

(3) the cost of a one-time closure of a solid waste disposal site or conversion of a disposal site to a landfill that meets the standards in 18 AAC 60; eligible costs may include fencing, access roads, covering of waste, signs, scales, trenches, and monitoring wells, but not cover material in excess of the amount generated during construction of the facility; and

(4) water and sewer service connections, but only for those portions constructed on public property or within a utility easement reserved in the public domain.

(Eff. 12/10/77, Register 64; am 6/11/81, Register 78; am 12/23/88, Register 108; am 11/24/94, Register 132)

Authority: AS 46.03.020(10)
AS 46.03.030
AS 46.03.090
AS 46.03.720

18 AAC 73.020. TERMS AND CONDITIONS OF GRANT AWARDS. (a) The grantee shall submit plans and specifications that define a proposed project under this chapter to the department for review and approval before the start of construction. A project will not be eligible for a grant under this chapter if the grantee issues a notice to proceed with construction to a contractor before obtaining departmental approval of construction-ready plans and specifications.

(b) The department will review plans and specifications based on generally accepted engineering design standards, including those specified in 18 AAC 60, 18 AAC 72, and 18 AAC 80. The department will, in its discretion, waive the requirements to prepare project-specific facility plans and feasibility studies, planning reports, as-built drawings, and operations and maintenance manuals for less complex projects.

(c) The grantee shall obtain the services of a registered engineer to inspect work performed under contract and to supervise or direct work performed under force account procedures approved by the department under 18 AAC 73.010(f)(1).

(d) The plans and specifications for a construction project receiving grant assistance under this chapter must be prepared and signed by a registered engineer.

(e) The grantee shall submit copies of all change orders to the department for approval. Change orders need not be submitted before work begins. A change order is eligible for grant reimbursement only if approval is obtained before the department conducts the project field audit.

(f) Construction contracts for work that is estimated to exceed \$50,000 in cost may be awarded only through a competitive bidding process with at least 30 days advertising before award, unless an alternative method is approved by the department. Construction contracts for less than \$50,000 may be negotiated if the department approves the grantee's solicitation and negotiating procedures.

(g) The grantee shall submit to the department, for review and concurrence, a tabulation of all bids received, a complete copy of the lowest bid, a copy of the notice to proceed with construction, and a copy of the construction contract. The contract must be awarded to the lowest responsive, responsible bidder, unless the department waives this requirement. The department will withhold grant payments pending review of and concurrence with the bid tabulation, the notice to proceed, and construction contract.

(h) Project sites, materials, and records are subject to inspection and audit by the department. The department will give adequate notice to the grantee and will schedule inspections at a reasonable time.

(i) A grantee shall maintain project accounts and records supporting the grant eligibility of project expenditures. These records must clearly separate eligible and ineligible project costs. The grantee shall maintain project accounts and records until the project field audit has been performed and the findings of and exceptions to the audit have been resolved.

(j) The grantee, by accepting grant assistance under this chapter, agrees to construct and operate a system or construct a project awarded a grant under this chapter in accordance with the approved plans and specifications. Failure to meet the requirements of this subsection may result in withdrawal of grant assistance.

(k) The department will, in its discretion, include other terms and conditions in a grant offer that it considers necessary to ensure compliance with this chapter.

(l) The grantee shall submit to the department for review and concurrence copies of all professional services contracts associated with the project. A professional services contract need not be submitted before work begins under that contract. A professional services contract is eligible for grant reimbursement only if concurrence is obtained before the department conducts the project field audit. (Eff. 12/10/77, Register 64; am 6/11/81, Register 78; am 11/24/94, Register 132)

Authority: AS 46.03.020(10)
AS 46.03.030
AS 46.03.090
AS 46.03.720

18 AAC 73.030. APPLICATION PROCEDURES. (a) A grantee shall submit a grant application package that consists of the following:

- (1) a completed grant application request on a form provided by the department;
 - (2) a narrative statement of the general nature of the project that identifies project scope, location, and costs;
 - (3) a copy of any other state or federal grant application or notice of grant award to be used for financing the project;
 - (4) a copy of a contract between the grantee and the architectural and engineering consultant who will be performing work on the project if available; this contract may be submitted at a later date and is not required to receive a grant; and
 - (5) for a water quality enhancement project, a program plan that describes
 - (A) the project to be funded;
 - (B) why the project is needed;
 - (C) how the project will enhance the waters involved;
 - (D) how the project will be accomplished;
 - (E) an estimate of project cost, with a projection of future costs caused by or related to the project; and
 - (F) the specific results expected from the project.
- (b) Repealed November 24, 1994.
- (c) The department will make a grant offer for eligible project costs after it
- (1) reviews and approves the grant application under the criteria established in this chapter;
 - (2) determines that the costs for which a grant is requested are reasonably necessary to complete the project; and
 - (3) determines that there is enough financing to complete the project.

(d) The grantee shall submit a resolution accepting the grant offer, adopted by the governing body of the municipality, or by the governing body of each municipality if the project is a joint venture of municipalities. In the resolution, the municipality must agree to accept responsibility to operate and maintain the proposed water, wastewater, or solid waste processing, disposal, or resource recovery system or to conduct the water quality enhancement project and must agree to the terms and conditions of the grant offer. No action by the department will be considered as creating a contractual obligation on the part of the state until the resolution has been submitted to the department.

(e) The department will, in its discretion, withdraw any grant offer that is not accepted within 180 days after the date the grant offer is extended.

(f) The department will, in its discretion, withdraw an accepted grant if construction has not been started within one year after the date the grant offer was extended.

(Eff. 12/10/77, Register 64; am 6/11/81, Register 78; am 12/13/88, Register 108; am 11/24/94, Register 132)

Authority: AS 46.03.020(10)
AS 46.03.030

18 AAC 73.040. STATE GRANT SHARE. (a) For the purpose of calculating grant share percentages under AS 46.03.030(e), the department will use population figures determined by the Department of Community and Economic Development, based on the most recent figures available from the United States Bureau of the Census or other reliable population data. If a grant application is made by a borough or unified municipality on behalf of a city, service district, or other entity within the borough or unified municipality, the grant percentages will be based on the population of the borough or unified municipality.

(b) If the award of a grant under AS 46.03.030(e) would result in a grantee obtaining financing in excess of 100 percent of eligible costs, the state grant will be limited to the amount required to complete 100 percent financing of eligible project costs.

(c) A grantee may match the state grant share with any combination of

(1) local money;

(2) federal money; and

(3) state money other than money received under this chapter or
AS 37.06. (Eff. 12/10/77, Register 64; am 6/11/81, Register 78; am 12/23/88, Register 108; am 11/24/94, Register 132)

Authority: AS 46.03.020(10)
AS 46.03.030

Editor's note: As of Register 151 (October 1999), the functions of the former Department of Community and Regional Affairs were transferred to other state agencies. Revisions to regulations to reflect changes in state agencies' names were made by the regulations attorney in accordance with ch. 58, SLA 1999 and AS 44.62.125(b)(6).

18 AAC 73.050. GRANT PAYMENT PROCEDURES. (a) The department will make progress payments in conformity with the procedures established in this section. The grantee shall request payments on forms provided by the department and shall include supporting documentation as part of each payment request.

(b) A request for final payment of the grant must be accompanied by a final cost statement and certification by the grantee that the system is complete and operable or that the project is complete. Expenses incurred or reported after this certification will not be eligible for reimbursement under the grant. After reviewing a request for final payment, the department will process a payment equal to 90 percent of total eligible reported costs, less any progress payments made under (a) of this section. The department will withhold 10 percent of the grant payment pending an audit under (c) of this section. For good cause shown, the department will, in its discretion, waive the requirement to withhold the final 10 percent of a grant.

(c) Final payment of the grant will be based upon actual eligible project costs, as determined by audit and will be limited to those costs reported on the final payment request. The department will, in its discretion, waive the requirement for an audit under this subsection.

(d) Before final payment is made,

(1) the grantee shall submit to the department a copy of the as-built drawings of the completed project prepared by the grantee under 18 AAC 60, 18 AAC 72, or 18 AAC 80; and

(2) the department will, in its discretion, conduct a final project inspection to determine construction compliance with the as-built drawings submitted under (a) of this section. (Eff. 12/10/77, Register 64; am 6/11/81, Register 78; am 11/24/94, Register 132)

Authority: AS 46.03.020(10)
AS 46.03.030
AS 46.03.090
AS 46.03.720

18 AAC 73.060. DEFINITIONS. Unless the context indicates otherwise, in this chapter

(1) "as-built drawings" means the original plans and specifications prepared for construction or installation and approved by the department, corrected to reflect how a facility was actually constructed or installed;

(2) "change order" means a written order to the contractor authorizing

(A) an addition, deletion, or revision in the work within the scope of the contract documents; or

(B) an adjustment in contract price or time;

(3) "construction-ready" means plans and specifications that are signed and sealed by a registered engineer and are ready for bidding purposes;

(4) "department" means the Department of Environmental Conservation;

(5) "eligible project costs" means those project costs that conform to the requirements of AS 46.03.030(d) and this chapter;

(6) "final cost statement" means an itemized list of all eligible and ineligible project costs and a statement of total funding for the project;

(7) "force account" means work performed by the grantee with its employees;

(8) "grantee" means a municipality, or combination of municipalities, that has received a construction grant offer under this chapter;

(9) "registered engineer" means an engineer registered under AS 08.48.211;

(10) "sanitary sewer system" means pipelines or conduits, pumping stations, and force mains, and all other appurtenant construction, devices, and appliances used to convey human or industrial waste to a point of treatment and discharge;

(11) "start of construction" means the effective date set out in a notice to proceed with construction issued to a contractor;

(12) "storm sewer system" means pipelines or conduits, pumping stations, and force mains, and all other appurtenant construction, devices, and appliances used for conveying storm water drainage and run-off to a point of ultimate disposal or discharge;

(13) "water supply system" means any source of water, intake works, collection system, treatment works, storage facility, or distribution system from which potable water is available for two or more individual dwellings or business establishments.
(Eff. 12/10/77, Register 64; am 6/11/81, Register 78; am 12/23/88, Register 108; am 11/24/94, Register 132)

Authority: AS 46.03.020(10)
AS 46.03.030
AS 46.03.090
AS 46.03.720

Editor's notes. - AS 46.03.900 contains additional definitions that apply to this chapter.

**STATE OF ALASKA
MUNICIPAL GRANTS PROGRAM**

REQUEST FOR PAYMENT

Grantee: _____

Grantee Address: _____

Project Name: _____

Grant Number: _____ Grant Type: _____

Grant period covered under this payment request: _____

☐

Check box if this is a Final Pay Request. Pay request # _____

This means all project expenses are declared below.

SUMMARY OF EXPENSES CLAIMED

COST CLASSIFICATION	Awarded Grant Amount	Cumulative Past Pay Request	Current Pay Request	Total Eligible Expenditures
1. Administration				
2. Legal				
3. Engineering Design				
4. Engineering Construction				
5. Construction				
6. Equipment				
7. Other				
8. Contingencies				
9. Total Eligible Costs				
10. Federal Financing				
11. Non-Federally Financed Eligible Costs				
12. ADEC Grant (50% of line 11)				

I certify to the best of my knowledge and belief the amount of reimbursement is in accordance with the terms of the grant offer and this request for payment represents the correct State share due which has not been previously paid and that work has been completed in accordance with approved plans and that work has been completed in accordance with approved plans and specifications. The project is now approximately _____ % complete.

Typed or printed name

Title

Date

Signature